

**U.S. Department of the Interior
Bureau of Land Management
White River Field Office
73544 Hwy 64
Meeker, CO 81641**

ENVIRONMENTAL ASSESSMENT

NUMBER: CO-110 -2004-136-EA

CASEFILE/PROJECT NUMBER (optional):

PROJECT NAME: Coal Exploration Plan

LEGAL DESCRIPTION: T3N, R101W, sec. 19,20,21,22,23,26,27,28,34,34

APPLICANT: Blue Mountain Energy

DESCRIPTION OF PROPOSED ACTION AND ALTERNATIVES:

Background/Introduction: The Deserado mine is the sole supplier of coal for the Bonanza Power Plant located in Bonanza, Utah. They have been developing and mining coal in the adjoining leases since 1983. All of the seven federal coal leases are formed into a Logical Mining Unit (LMU) containing 8,306 acres.

Proposed Action: Blue Mountain Energy (BME) proposes to drill and log up to 11 holes. (See attached map) The area is located north of existing operations bordering BME's federal coal leases. USGS 7.5 minute Quad Maps that include the area are the Cactus Reservoir and Rangely NE.

A total of 4.1 acres will be disturbed; 2.3 acres for the well sites and 1.8 acres for approximately 8,000 feet of 10 foot wide new access roads. Much of the access will be overland travel.

Projected drill dates and depth of proposed holes are as follows;

Site ID	Depth (feet)	Projected Drill Date (Year)	New Access Length (Feet)
F	934	2004	560
H	970	2004/2005	770
I	790	2004/2005	-
L	1,018	2004/2005	719
M	1,123	2004	780
Q	852	2005	-
R	685	2005	825
V	1,413	2005	1,163
X	1,595	2005	496
Z	1,570	2004/2005	1,735
KK	1,642	2004/2005	843

All Drill holes will be grout-cemented through coal-bearing strata, with cement extending 50 feet above and below the mineable coal bed. The remainder of the hole will be backfilled with cuttings and mud to ten feet below the surface and then grout cemented the last 10 feet to the surface. Drill hole sites will be re-contoured and seeded in late summer or early fall. New roads developed for access to the wells will be scarified and seeded with water bars constructed where needed. Proposed seed mix is as follows:

Species	LBS/Acres PLS
Russian Wildrye (Vinall)	6.0
Crested Wheatgrass (Ephraim)	9.0
Alfalfa (Ladak)	1.0

All of the proposed sites were visited by Ed Hollowed, Tamara Meagley and Max McCoy on June 16, 2004. The field notes for each site are as follows:

- KK Cheat grass area, no prairie dogs present.
- X Cheat grass area, some prairie dog activity but no impact.
- V Sage brush site
- Z All but 2000 feet of the access road has been previously disturbed.
- M Active prairie dogs 200 feet to the south, there should be no impacts.
- Q This site is on previously disturbed soil next to the railroad track.
- I Most of this site was previously disturbed by mine activity.
- H This site is adjacent to an existing access road.
- L This area is half sage brush and cheat grass.
- F Side hill location with sage brush and juniper trees. No trees will be affected.
- R This location is just south of the Moffat county line.

No Action Alternative: No holes will be drilled.

NEED FOR THE ACTION: Section 2 (b) of the Mineral leasing Act of 1920, as amended by section 4 of the Federal Coal Leasing Amendments Act of 1976 (30U.S.C. 201(b))

PLAN CONFORMANCE REVIEW: The Proposed Action is subject to and has been reviewed for conformance with the following plan (43 CFR 1610.5, BLM 1617.3):

Name of Plan: White River Record of Decision and Approved Resource Management Plan (ROD/RMP).

Date Approved: July 1, 1997

Decision Number/Page: Page 2-7:

Decision Language: "Ensure that federal coal resources identified as acceptable for further consideration for coal leasing, are available for exploration, leasing and development.

AFFECTED ENVIRONMENT / ENVIRONMENTAL CONSEQUENCES / MITIGATION MEASURES:

STANDARDS FOR PUBLIC LAND HEALTH: In January 1997, Colorado Bureau of Land Management (BLM) approved the Standards for Public Land Health. These standards cover upland soils, riparian systems, plant and animal communities, threatened and endangered species, and water quality. Standards describe conditions needed to sustain public land health and relate to all uses of the public lands. Because a standard exists for these five categories, a finding must be made for each of them in an environmental analysis. These findings are located in specific elements listed below:

CRITICAL ELEMENTS

AIR QUALITY

Affected Environment: There are no special designation air sheds or non-attainment areas nearby that would be affected by the proposed action.

Environmental Consequences of the Proposed Action: The proposed action would result in short term; local impacts to air quality due to dust being blown into the air. However, airborne particulate matter should not exceed Colorado air quality standards on an hourly or daily basis. Blue Mountain Energy plans on watering the roads if this becomes a problem.

Environmental Consequences of the No Action Alternative: None

Mitigation: None

CULTURAL RESOURCES

Affected Environment: The area where the proposed core holes are proposed was inventoried at the Class III (100% pedestrian) level in 1979 (Chandler and Nickens 1979a, 1979b, Compliance dated 7/13/1979 and 11/01/1979) with no cultural resources reported at any of proposed locations. However, the area is an area that is covered by deep, stabilized sand dune fields which have deep soils deposits. In the intervening years since the original inventories were completed the BLM has had occasion to revisit the area to monitor conditions and check on resource conditions (c.f. Creasman 1990, Selle 1989). During those visits the BLM has documented far more extensive resource remains than were initially reported. The change in what is visible on the ground since the original inventory may be due to sheet erosion which apparently continues to some degree in the area. It appears that erosion processes are exposing buried materials that were not visible to the original recorders in 1979.

Environmental Consequences of the Proposed Action: there is a possibility that previously unrecorded cultural resources could be impacted by the proposed action.

Environmental Consequences of the No Action Alternative: There would be no new impacts to cultural resources under the No Action Alternative.

Mitigation: 1. The operator is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during any project or construction activities, the operator is to immediately stop activities in the immediate area of the find that might further disturb such materials, and immediately contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary)
- a timeframe for the AO to complete an expedited review under 36 CFR 800-11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation cost. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

2. Pursuant to 43 CFR 10.4(g) the holder of this authorization must notify the AO, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.

3. An archaeological monitor shall be present during all blading of access and core hole pad locations.

INVASIVE, NON-NATIVE SPECIES

Affected Environment: The project area contains cheatgrass. Other noxious weeds of concern include the knapweeds and musk, bull and Canada thistles. These noxious weeds can be found in the area and are easily transported by construction equipment and support vehicles. The project area is expected to be difficult to reclaim because of low precipitation and poor soils.

Environmental Consequences of the Proposed Action: With proper control of noxious weeds no problems are expected. Deserado Mine maintains a progressive reclamation department which controls noxious weeds on lease. The proposed seed mix contains non-native species which are adapted to these sites. These species have not been shown to move offsite or to inter-breed with the adjacent vegetation. These species should compete with cheatgrass preventing invasion and occupation of this site.

Environmental Consequences of the No Action Alternative: There would be no impacts.

Mitigation: None

MIGRATORY BIRDS

Affected Environment: The project area consists primarily of lower elevation Wyoming big sagebrush shrublands interspersed among stands of Utah juniper. There are a number of migratory birds that fulfill nesting functions in these types from April through July, including several species identified as having higher conservation interest by the Rocky Mountain Bird Observatory, Partners in Flight program (i.e., sage and Brewer's sparrow, green-tailed towhee, gray flycatcher, juniper titmouse, loggerhead shrike). Although most species are common and widely represented in extensive suitable habitats throughout the Resource Area, several are more confined to lower elevation sagebrush-shadscale communities (e.g., sage sparrow and loggerhead shrike) found in the project area. Sage sparrows are well distributed and fairly common breeding birds in larger shrubland parcels; loggerhead shrike tend to be patchily distributed and uncommon among the scattered juniper and sagebrush areas of Red Wash south of Coal Reef.

Environmental Consequences of the Proposed Action: The 2004 segment of this project would be implemented in the fall of 2004 and 2005, well outside the reproductive period of local migratory birds. The individual construction sites are small, widely dispersed, and would not alter the character or effective extent of suitable habitat. The proposed action would have no effective influence on the potential extent or quality of breeding bird habitat in the short term. In the long term, reclaimed access and pad locations would, on a very minor scale, increase the availability of perennial grasses (i.e., superior to annual grasses) that generally offer improved cover and forage resources for nongame birds during the nesting season.

Environmental Consequences of the No Action Alternative: There would be no action authorized that could potentially influence migratory bird breeding activities or the character or their habitat.

Mitigation: None

THREATENED, ENDANGERED, AND SENSITIVE ANIMAL SPECIES (includes a finding on Standard 4)

Affected Environment: White-tailed prairie dogs have recently been petitioned for listing under the Endangered Species Act and regarded as BLM sensitive species, are sparsely and unevenly distributed in Red Wash south of Coal Reef. Five pads involve active or historically occupied prairie dog habitat, as follows:

KK- pad situated on edge of long abandoned town

X - access passes through 100' of active town. Equipment proposed for overland travel with no access preparation or excavation. Access route modified slightly to increase distance to nearest mound to 30'.

Z - pad situated on edge of inactive town, no direct involvement of burrows

M - pad on edge of small active town. Pad moved such that 40 yards separates pad from nearest burrow entrance.

L - pad located in narrow flat with 2-acre town. Largely inactive, but pad moved such that nearest active mound about 50 yards distant.

Prairie dogs begin to emerge from hibernation in mid-February to early March, about 2-3 weeks before adult females. After emergence of females, the breeding season begins and lasts for about 2-3 weeks. Pups emerge in late May or early June at about 5-7 weeks of age. Surface activity begins to decline for adults in late July to mid-August. Juveniles remain active above ground until late fall.

At its nearest point, the project area is about 4 miles southwest of the Wolf Creek Black-footed Ferret Management Area. This area was designated in 1997 to aid in the recovery of the endangered black-footed ferret under the auspices of an experimental, nonessential population rule. A cooperatively developed Management Plan was completed and ferrets reintroduced to the area in November 2001. Although this portion of Red Wash is poorly suited for ferret occupation due to suboptimal distribution and abundance of prairie dogs, there is low potential that ferrets occupy active burrow systems in lower Red Wash. Ferret breeding activities begin in early March, with birthing in early May. Young ferrets generally begin to emerge from nest burrows by mid-July.

Burrowing owls (State threatened species, BLM sensitive) are uncommon breeding species throughout this Resource Area's prairie dog habitats. The owls return to occupy and nest in maintained prairie dog burrow systems in early April. Young owls emerge and are generally flighted by late July. Family groups remain together through September when the birds leave for southern wintering grounds. No owls were observed during surveys of the project area.

Ferruginous hawks (BLM sensitive species) are uncommon breeding birds in lower Red Wash and their nests are sparingly distributed throughout these juniper-sagebrush communities (1 historic site within the general project area). These birds return in early March to begin nesting in mid-April. Fledging normally occurs by mid-July.

The lower White River and its 100-year floodplain are designated critical habitat for the endangered Colorado pike-minnow, although no pike-minnow occur above Taylor Draw Dam, about 4 miles below the mouth of Red Wash. Maintaining or restoring proper channel and floodplain functions are considered paramount in conserving pike-minnow habitats in Colorado.

See Terrestrial Wildlife section for a discussion of greater sage-grouse.

Environmental Consequences of the Proposed Action: It is unlikely that proposed project work would intersect or disrupt any prairie dog burrow system. Because project work would be very small in scale and conducted outside sensitive reproductive timeframes (i.e., fall and winter of 2004/2005), there is no reasonable likelihood that the proposed activity would have any direct or indirect adverse influence on individual prairie dogs, ferrets, ferruginous hawk, or burrowing owl or the short or long-term utility or availability of habitat for these species.

Although successful reclamation of disturbed acreage would increase the abundance of perennial grasses on these largely annual-dominated ranges, their contribution to improved soil stability

and sediment reduction would be discountable in the context of influencing proper functioning channel processes in the White River's occupied pike-minnow habitat below Kenney Reservoir.

Environmental Consequences of the No Action Alternative: The no-action alternative would avoid any potential to involve special status species or their habitat.

Mitigation: Minor modification to pad location or access to avoid impacts to prairie dog burrow systems (as well as those associated species) was integrated with the proposed action at the time of the on-site inspections.

Finding on the Public Land Health Standard for Threatened & Endangered species: Public Land Health Standards for those special status species associated with these juniper-sagebrush habitats are currently being met at the landscape scale. Although prairie dog habitat is suboptimal in this portion of Red Wash, habitat suitability is constrained primarily by unsuitable vegetation (i.e., extensive Wyoming big sagebrush among juniper stands). The proposed and no-action alternatives would have no adverse influence on populations, the available extent of suitable habitat, or the reproductive activities of prairie dogs or those species associated with prairie dogs and therefore would not interfere with continued meeting of the land health standard from this perspective. Incremental gains in perennial grass cover associated with reclamation would be more consistent with the proper functioning of these arid sagebrush communities as wildlife habitat, but would not be expected to contribute substantially to the long term capacity of these lands as prairie dog, ferruginous hawk, burrowing owl, or black-footed ferret habitat.

Overall aquatic conditions along the lower White River generally meet the standard for Colorado pike-minnow and other downstream special status fish. This project would have no discernible influence on critical aquatic habitat and would, therefore, have no influence on conditions associated with the Public Land health standards.

THREATENED, ENDANGERED, AND SENSITIVE PLANT SPECIES (includes a finding on Standard 4)

Affected Environment: There are no threatened, endangered or sensitive plant species occurring within the project area.

Environmental Consequences of the Proposed Action: None

Environmental Consequences of the No Action Alternative: None

Mitigation: None

Finding on the Public Land Health Standard for Threatened & Endangered species: There is no reasonable likelihood that the proposed action or no action alternative would have an influence on the condition or function of Threatened, Endangered, or Sensitive plant species. Thus, there would be no effect on achieving the land health standard.

WASTES, HAZARDOUS OR SOLID

Affected Environment: There are no known hazardous or other solid wastes on the subject lands. No hazardous materials are known to have been used, stored or disposed of at sites included in the proposed action.

Environmental Consequences of the Proposed Action: No listed or extremely hazardous materials in excess of threshold quantities are proposed for use in this project. While commercial preparations of fuels and lubricants proposed for use may contain some hazardous constituents, they would be stored, used and transported in a manner consistent with applicable laws, and the generation of hazardous wastes would not be anticipated. Solid wastes would be properly disposed of.

Environmental Consequences of the No Action Alternative: There are no hazardous or other solid wastes would be generated under the no action alternative.

Mitigation: The operator shall be required to collect and properly dispose of any solid wastes generated by this project.

WATER QUALITY, SURFACE AND GROUND (includes a finding on Standard 5)

Affected Environment: Red Wash is a tributary to the White River. A review of the Colorado's 1989 Nonpoint Source Assessment Report (plus updates), the 305(b) report, the 303(d) list and the Unified Watershed Assessment was one to see if any water quality concerns have been identified. The State has classified this segment as a "Use Protected" reach. Its designated beneficial uses are: Warm Aquatic Life 2, Recreation 2, and Agriculture. The antidegradation review requirements in the Antidegradation Rule are not applicable to waters designated use-protected. For those waters, only the protection specified in each reach will apply. For this reach, minimum standards for three parameters have been listed. These parameters are: dissolved oxygen = 5.0 mg/l, pH = 6.5 - 9.0 and Fecal Coliform = 2000/100ml and 630/100 ml E. coli. In addition standards for inorganic and metals have also been listed and can be found in the table of stream classifications and water quality standards. This segment retained its Recreation Class 2 designation after sufficient evidence was received that a Recreation Class 1a use was unattainable.

Environmental Consequences of the Proposed Action: Depleting the vegetation cover needed to protect watersheds from raindrop impact and runoff could cause short-term erosion problems and increased sedimentation to Red Wash and on down to the White River until successful BMPs have been implemented and prove to be successful. The magnitude of these impacts is dependent on the amount of surface disturbance and climatic conditions during the time the soils are exposed to the elements.

Environmental Consequences of the No Action Alternative: Impacts from the no-action alternative are not anticipated.

Mitigation: Efforts need to be made to keep sediment from leaving the site. All activity shall cease when soils or road surfaces become saturated to a depth of three inches unless otherwise approved by the Authorized Officer.

Finding on the Public Land Health Standard for water quality: The proposed action will not affect water quality or achievement of the Land Health Standard.

WETLANDS AND RIPARIAN ZONES (includes a finding on Standard 2)

Affected Environment: There are no wetlands or riparian communities potentially influence by the proposed action. Kenney Reservoir, on the White River, is about 5 channel miles south of the nearest point of activity.

Environmental Consequences of the Proposed Action: Riparian and wetland communities would not be directly or indirectly affected by core hole drilling. Successful reclamation of surface disturbance would, on a diminutive scale, increase the expression of erosion-resistant perennial ground cover, and incrementally complement proper channel function by enhancing upland soil stability and infiltration and reducing the amount of sediment deposited downstream.

Environmental Consequences of the No Action Alternative: There would be no action authorized that would have potential to affect wetland and riparian resources.

Mitigation: None.

Finding on the Public Land Health Standard for riparian systems: Because there are no riparian or wetland resources potentially influenced by the proposed or no-action alternatives, a land health finding is not relevant. Successful reclamation of surface disturbance would help increase the expression of erosion resistant perennial ground cover (e.g., upland soil stability/infiltration) and, although consistent with meeting upland and riparian land health standards, there would be no change in the status of the land health standard in downstream riparian and wetland communities.

CRITICAL ELEMENTS NOT PRESENT OR NOT AFFECTED:

No ACECs, flood plains, prime and unique farmlands, Wilderness, Wild and Scenic Rivers or wild horses exist within the area affected by the proposed action. There are also no Native American religious or environmental justice concerns associated with the proposed action.

NON-CRITICAL ELEMENTS

The following elements **must** be addressed due to the involvement of Standards for Public Land Health:

SOILS (includes a finding on Standard 1)

Affected Environment: The soils have been mapped in an order III soil survey by NRCS and are available from the office for review. Refer to the table below for the type of soils affected by the proposed action.

Soil Number	Soil Name	Slope	Range site	Salinity	Run Off	Erosion Potential	Bedrock
53	Moyerson stony clay loam	15-65%	Clayey Slopes	2-4	Rapid	Very high	10-20
90	Torrifluvents gullied		None		Rapid	Very high	>60
93	Turley fine sandy loam	0-3%	Alkaline Slopes	2-4	Medium	Slight	>60
94	Turley fine sandy loam	3-8%	Alkaline Slopes	2-4	Medium	Slight to moderate	>60
104	Yamac Loam	2-15%	Rolling Loam	<2	Medium	Slight to moderate	>60

Environmental Consequences of the Proposed Action: Short-term impacts would be expected from any surface disturbing activity. Impacts from the proposed action would be loss of the protective vegetation cover, possible increase in salt and sedimentation during storm events and soil compaction from trenching equipment. These impacts could continue until successful re-vegetation has occurred.

Environmental Consequences of the No Action Alternative: In the no-action alternative, neither the surface disturbance nor the impacts to soils resources would occur.

Mitigation: Re-establish vegetation as soon as allowable for favorable control of erosion problems that may occur.

Finding on the Public Land Health Standard for upland soils: The proposed action will not affect the upland soils ability to achieve Land Health Standards.

VEGETATION (includes a finding on Standard 3)

Affected Environment: The proposed action is located within the Clayey Slope and Alkaline Slope ecological sites. The dominate plant community for these sites consists of greasewood, saltbrush, and Wyoming sagebrush, which have an understory dominated by western wheatgrass, Sandberg bluegrass, and squirreltail. Cheatgrass is an undesirable, invasive, annual growing, and alien plant species that is prevalent within the locality of the proposed action.

Environmental Consequences of the Proposed Action: The proposed action would disturb a low seral class of desert shrub community for a total of 4.1 acres. The short-term soil and vegetation disturbances would be offset in the long-term by reclaiming the disturbed area with a seed mix that is suited for this ecological site. As this area has a significant component of cheatgrass (annual) within the plant community, successful re-vegetation efforts would increase desirable plant species (perennials) within the rangelands.

Environmental Consequences of the No Action Alternative: None

Mitigation: None

Finding on the Public Land Health Standard for plant and animal communities (partial, see also Wildlife, Aquatic and Wildlife, Terrestrial): The proposed action would disturb a small segment of the Clayey Slope and Alkaline Slope ecological sites. The locality of the proposed action lacks desirable plant species at an appreciable density and frequency level. This is due to the prevalence of cheatgrass within the vegetative understory. A positive benefit in meeting the Health Standard would be received through a successful re-vegetation effort, thus increasing preferred plant species within a small portion of the degraded shrub communities' understory.

WILDLIFE, AQUATIC (includes a finding on Standard 3)

Affected Environment: The nearest aquatic habitats are located at the upper end of Kenney Reservoir, on the lower White River, about 5 channel miles south of the nearest point of drilling activity.

Environmental Consequences of the Proposed Action: Warm water aquatic habitats associated with the lower White River would not be effectively influenced by the proposed action. Successful reclamation of surface disturbance would, on a diminutive and incremental scale, increase the extent of erosion-resistant perennial ground cover and complement proper channel function by enhancing upland soil stability and infiltration and reducing the amount of sediment transported downstream.

Environmental Consequences of the No Action Alternative: There would be no action authorized that would have potential to influence downstream aquatic habitats.

Mitigation: None.

Finding on the Public Land Health Standard for plant and animal communities (partial, see also Vegetation and Wildlife, Terrestrial): Because there are no aquatic habitats or animals potentially influenced by the proposed or no-action alternatives, a land health standard finding is not relevant. Successful reclamation of surface disturbance, by enhancing upland soil stability and infiltration and reducing downstream sediment movement, would indirectly and incrementally complement overall land health and proper channel function; however, this diminutive effect would have no measurable influence on aquatic habitats associated with the lower White River.

WILDLIFE, TERRESTRIAL (includes a finding on Standard 3)

Affected Environment: The project area consists primarily of lower elevation (5700') Wyoming big sagebrush shrublands intermixed with stands of Utah juniper. Herbaceous understories are generally depauperate with excessive complements of introduced annual weeds, such as cheatgrass. These ranges are used by deer and elk predominantly during the winter and early spring months (classified as deer severe winter range by Colorado Division of Wildlife). Approximately 4.1 acres of the sagebrush type would be disturbed by drilling operations; no juniper stands would be involved.

These low elevation juniper woodlands support low density raptor nesting activity, especially ferruginous hawk, Cooper's hawk, and long-eared owl. None of the proposed pads or their respective access routes are situated in close proximity to woodlands that could serve as raptor nest habitat.

Nongame populations associated with these lower elevation juniper/sagebrush ranges are common and broadly distributed in extensive shrubland and woodland communities found throughout the Resource Area. There are no highly specialized or narrowly distributed species known to inhabit the project area (but see Threatened and Endangered Species section).

Environmental Consequences of the Proposed Action: The proposed action would occur outside the late winter and early spring period when winter range resources used by big game are most limited in availability and animals are most vulnerable to extraneous energetic demands. About 4 acres of sagebrush, as a winter forage source for big game, would be cleared in small, widely dispersed locations. This temporary reduction of woody forage would be insignificant in the context of the available woody forage base. Successful reclamation would, on a very minor scale, increase the availability of perennial grasses (i.e., superior to annual grasses) that are sought by big game during winter and spring months.

Proposed project work, being confined to the fall and early winter periods, would have no conceivable affect on raptor nesting activity nor would it affect potential woodland substrate. The effects of widely dispersed, small-scale vegetation clearing and reclamation on the availability or distribution of forage and cover resources for local populations of nongame wildlife would be insignificant and would persist for less than a year.

Environmental Consequences of the No Action Alternative: There would be no immediate action authorized that would have potential to affect resident wildlife or associated habitat.

Mitigation: None.

Finding on the Public Land Health Standard for plant and animal communities (partial, see also Vegetation and Wildlife, Aquatic): The project area generally meets the public land health standard for most animal communities, although those herbaceous understories dominated by introduced annuals are incapable of supporting the abundance or diversity of nongame relative to well developed native bunchgrass communities. This project would have insignificant influence on shrubland habitat extent or utility, and successful reclamation would increase, albeit on a very localized and diminutive scale, the complement of perennial bunchgrasses in understory composition. Neither the proposed or no-action alternatives would have any effective influence on this land health standard.

OTHER NON-CRITICAL ELEMENTS: For the following elements, only those brought forward for analysis will be addressed further.

Non-Critical Element	NA or Not Present	Applicable or Present, No Impact	Applicable & Present and Brought Forward for Analysis
Access and Transportation		X	
Cadastral Survey	X		
Fire Management	X		
Forest Management	X		
Geology and Minerals			X
Hydrology/Water Rights	X		
Law Enforcement		X	
Paleontology			X
Rangeland Management			X
Realty Authorizations	X		
Recreation			X
Socio-Economics		X	
Visual Resources			X
Wild Horses	X		

GEOLOGY AND MINERALS

Affected Environment: Most of the exposed rocks in the proposed area belong to the Mesaverde Group with the major coal seams found in the lower Williams Fork Formation of the Mesaverde. This area is located on the southwest flank of the Red Wash Syncline which trends northwest/southeast and plunges southeast towards the Piceance Basin dipping approximately 7 ½ degrees northeast.

Environmental Consequences of the Proposed Action: Geologic information of the underlying coal seams would be obtained.

Environmental Consequences of the No Action Alternative: Geologic information of the underlying coal seams would not be obtained and the maximum economic recovery of the coal resources may not occur.

Mitigation: None

PALEONTOLOGY

Affected Environment: The proposed access roads and core hole locations are located in an area mapped as the Mesa Verde Formation (Tweto 1979) which the BLM has classified as a Category I formation, meaning it is a known producer of scientifically important fossil resources.

Environmental Consequences of the Proposed Action: If, for any reason, it becomes necessary to excavate into the underlying bedrock formation to build the access roads or level the core hole pads there is a potential to impact scientifically important fossil resources.

Environmental Consequences of the No Action Alternative: There would be no new impacts to fossil resources under the No Action Alternative.

Mitigation: 1. If paleontological materials (fossils) are uncovered during project activities, the operator is to immediately stop activities that might further disturb such materials, and contact the authorized officer (AO). The operator and the authorized officer will consult and determine the best option for avoiding or mitigating paleontological site damage.

2. If it becomes necessary at any time to excavate into the underlying bedrock for road construction or pad leveling a paleontological monitor shall be present to monitor the excavations.

RANGELAND MANAGEMENT

Affected Environment: The proposed project's V, X, A, and KK are situated within the Red Wash Allotment (06320), and Villard Ranch (0501444) holds the grazing permit. Sections R, Q, I, F, H, L, and M are located within the Spooky Mountain (06316), and Cross Mountain Ranch (0501485) holds the grazing permit. Both of these allotments are authorized for sheep use during the winter to mid spring periods.

The proposal is dispersed within a Wyoming sagebrush community which is utilized extensively by sheep for meeting forage requirements, particularly during the winter period. The understory within a portion of these sagebrush communities have a dominate component of cheatgrass, which is an undesirable, annual growing, introduced, and invasive plant species.

Environmental Consequences of the Proposed Action: A total of approximately 4 acres of Wyoming sagebrush habit will be removed as a forage source for authorized livestock in varying/dispersed localities. Due to the vast stances of sagebrush within these allotments, 4 dispersed acres of sagebrush removed temporarily would be insignificant in regards to providing a forage source for authorized livestock. As the proposed action calls for reclaiming the disturbed areas with perennial grasses, which are more desirable then the current high component of cheatgrass (annual), a benefit would be received through successful reclamation.

Environmental Consequences of the No Action Alternative: None

Mitigation: Any livestock control facilities and/or rangeland improvements impacted during this operation will be replaced or repaired to their prior condition.

RECREATION

Affected Environment: The proposed action occurs within the White River Extensive Recreation Management Area (ERMA). BLM custodially manages the ERMA to provide for unstructured recreation activities such as hunting, dispersed camping, hiking, horseback riding, wildlife viewing and off-highway vehicle use.

The project area has been delineated a Recreation Opportunity Spectrum (ROS) class of Semi-Primitive Motorized (SPM). SPM recreation setting is typically characterized by a natural appearing environment with few administrative controls, low interaction between users but evidence of other users may be present. SPM recreation experience is characterized by a high probability of isolation from the sights and sounds of humans that offers an environment that offers challenge and risk.

Environmental Consequences of the Proposed Action: The public will lose approximately 4 acres of dispersed recreation potential while drilling operations persist. The public will most likely not recreate in the vicinity of these facilities and will be dispersed elsewhere. If action coincides with hunting seasons (September through November) it will most likely disrupt the experience sought by those recreationists.

With the introduction of new well pads and roads, an increase of traffic could be expected increasing the likelihood of human interactions, the sights and sounds associated with the human environment and a less naturally appearing environment.

Environmental Consequences of the No Action Alternative: No loss of dispersed recreation potential and no impact to hunting recreationists.

Mitigation: None.

VISUAL RESOURCES

Affected Environment: These core holes will be in an area managed as VRM Class 3. As such development is permitted as long as it does not dominate the new landscape.

Environmental Consequences of the Proposed Action: Access will follow existing roads, which will be upgraded. 8000 feet of new road will be built by scraping the vegetation off and creating as little disturbance as needed. Drill pads will be new disturbance that will comply with the guidelines for VRM Class 3 with mitigation as listed below.

Environmental Consequences of the No Action Alternative: No impacts

Mitigation: Areas not needed for future use shall be reclaimed in a timely manner.

CUMULATIVE IMPACTS SUMMARY: Cumulative impacts from development of coal resources were analyzed in the White River Resource Area PRMP/FEIS. Current development, including the proposed action, has not exceeded the foreseeable development analyzed in the PRMP/FEIS.

REFERENCES CITED:

Chandler, Susan M. and Paul R. Nickens

1979a Cultural Resource Investigations Moon Lake Project Prospecting License Area: Moon Lake Project Report 79-2. Centuries Research, Inc., Montrose, Colorado.

1979b Archaeological Investigations of the Coal Development Areas and Coal Transport Corridors for the Moon Lake Project, Rio Blanco County, Colorado and Uintah County, Utah: Moon Lake Project Report 79-5. Nickens and Associates, Montrose, Colorado.

Creasman, Steven D.

1990 Douglas Creek Soil Conservation District Red Wash Project Class III Cultural Resource Inventory. Archaeological Services, Western Wyoming Community College, Rock Springs, Wyoming

Selle, Michael R.

1989 Cultural Resource Evaluation of the Proposed Red Was Detention Dam and Emergency Spillway for the Rangely Water Users Association and the Soils Conservation Service in Moffat County, Colorado. White River Resource Area, Bureau of Land Management, Meeker, Colorado.

Tweto, Ogden

1979 Geologic Map of Colorado. United States Geologic Survey, Department of the Interior, Reston, Virginia.

PERSONS / AGENCIES CONSULTED:

INTERDISCIPLINARY REVIEW:

Name	Title	Area of Responsibility
CP Hollowed	P&EC	Air Quality
Tamara Meagley	NRS	Areas of Critical Environmental Concern
Tamara Meagley	NRS	Threatened and Endangered Plant Species
Michel Selle	Archaeologist	Cultural Resources Paleontological Resources
Jed Carling	Rangeland Specialist	Invasive, Non-Native Species
Ed Hollowed	Wildlife Biologist	Migratory Birds
Ed Hollowed	Wildlife Biologist	Threatened, Endangered and Sensitive Animal Species, Wildlife
Marty O'Mara	Hazmat Collateral	Wastes, Hazardous or Solid
CP Hollowed	P&EC	Water Quality, Surface and Ground Hydrology and Water Rights
Ed Hollowed	Wildlife Biologist	Wetlands and Riparian Zones
Chris Ham	ORP	Wilderness
CP Hollowed	P&EC	Soils

Name	Title	Area of Responsibility
Jed Carling	Rangeland Specialist	Vegetation
Ed Hollowed	Wildlife Biologist	Wildlife Terrestrial and Aquatic
Chris Ham	ORP	Access and Transportation
Ken Holsinger	NRS	Fire Management
B ob Fowler	Forester	Forest Management
Paul Daggett	Mining Engineer	Geology and Minerals
Jed Carling	Rangeland Specialist	Rangeland Management
Linda L Jones	Realty Specialist	Realty Authorizations
Chris Ham	ORP	Recreation
Max McCOy	NRS	Visual Resources
Valerie Dobrich	NRS	Wild Horses

Finding of No Significant Impact/Decision Record (FONSI/DR)

CO-110-2004-136-EA

FINDING OF NO SIGNIFICANT IMPACT (FONSI)/RATIONALE: The environmental assessment and analyzing the environmental effects of the proposed action have been reviewed. The approved mitigation measures (listed below) result in a Finding of No Significant Impact on the human environment. Therefore, an environmental impact statement is not necessary to further analyze the environmental effects of the proposed action.

DECISION/RATIONALE: It is my decision to approve Blue Mountain Energy's proposal to drill and log up to 11 holes (see attached map) as described in the proposed action, with the mitigation listed below.

MITIGATION MEASURES: 1. The operator is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during any project or construction activities, the operator is to immediately stop activities in the immediate area of the find that might further disturb such materials, and immediately contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary)
- a timeframe for the AO to complete an expedited review under 36 CFR 800-11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation cost. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

2. Pursuant to 43 CFR 10.4(g) the holder of this authorization must notify the AO, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.

3. An archaeological monitor shall be present during all blading of access and core hole pad locations.
4. The operator shall be required to collect and properly dispose of any solid wastes generated by this project.
5. Efforts need to be made to keep sediment from leaving the site. All activity shall cease when soils or road surfaces become saturated to a depth of three inches unless otherwise approved by the Authorized Officer.
6. Re-establish vegetation with proposed seed mix as soon as allowable for favorable control of erosion problems that may occur.
7. If paleontological materials (fossils) are uncovered during project activities, the operator is to immediately stop activities that might further disturb such materials, and contact the authorized officer (AO). The operator and the authorized officer will consult and determine the best option for avoiding or mitigating paleontological site damage.
8. If it becomes necessary at any time to excavate into the underlying bedrock for road construction or pad leveling a paleontological monitor shall be present to monitor the excavations.
9. Any livestock control facilities and/or rangeland improvements impacted during this operation will be replaced or repaired to their prior condition.

COMPLIANCE/MONITORING:

NAME OF PREPARER: Max McCoy

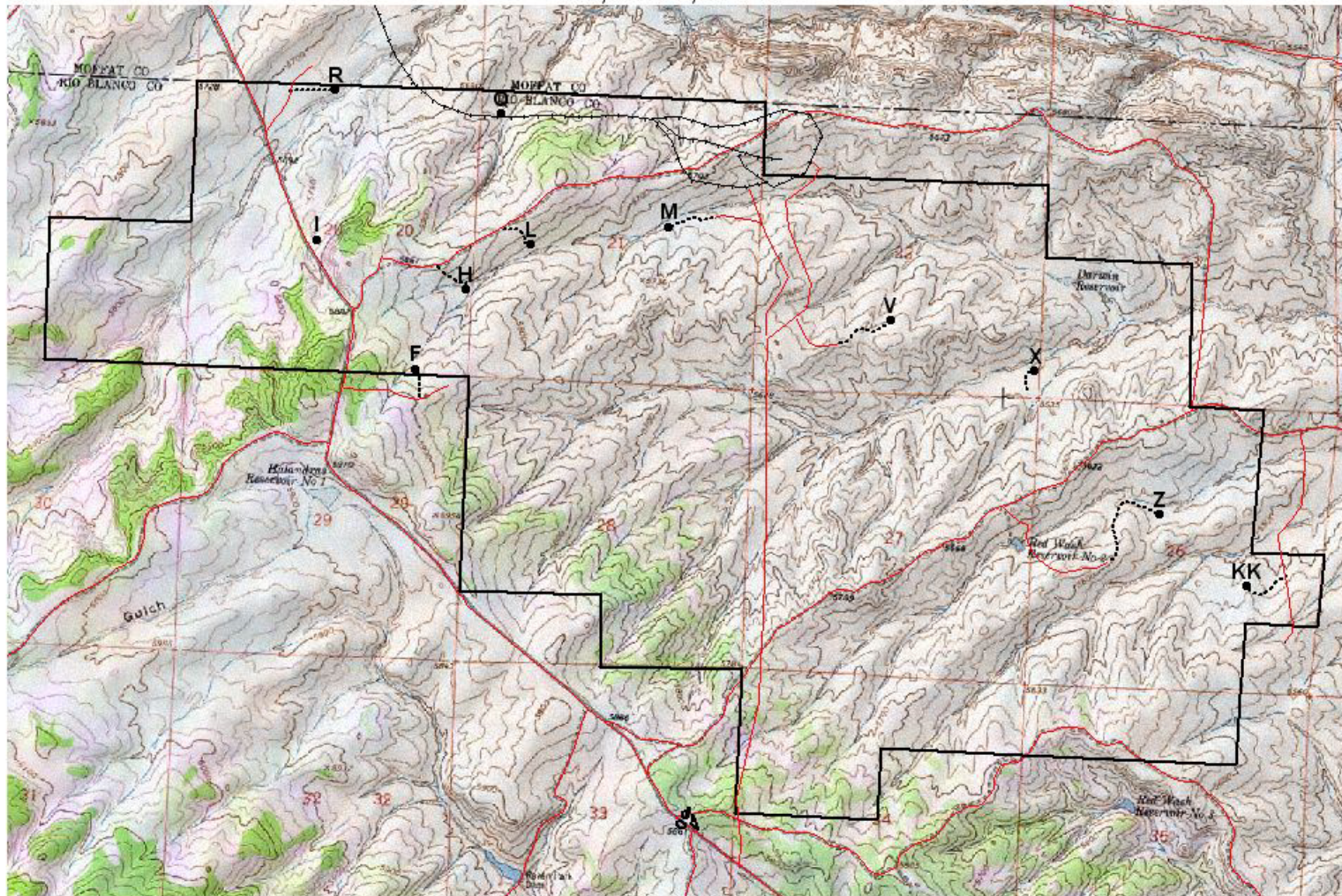
NAME OF ENVIRONMENTAL COORDINATOR: *Caroline P. Hollowed 8/27/04*

SIGNATURE OF AUTHORIZED OFFICIAL: *[Signature]*
Field Manager

DATE SIGNED: *8/27/04*

ATTACHMENTS: Location Maps (5) of the proposed action
Conditions of Approval

Blue Mountain Energy
Coal Exploration License
CO-110-2004-136EA
T3N, R101W, 6th PM

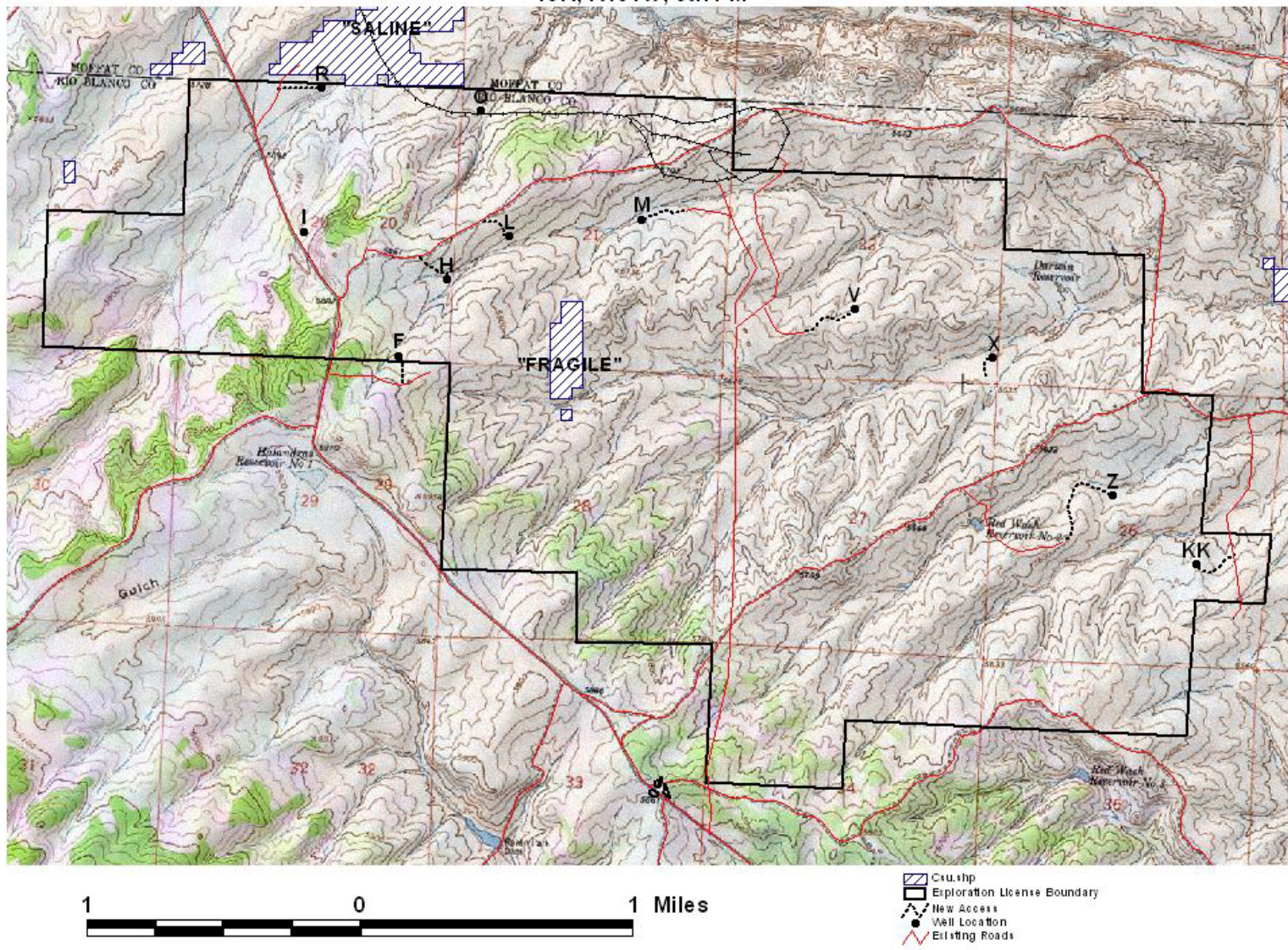


1 0 1 Miles

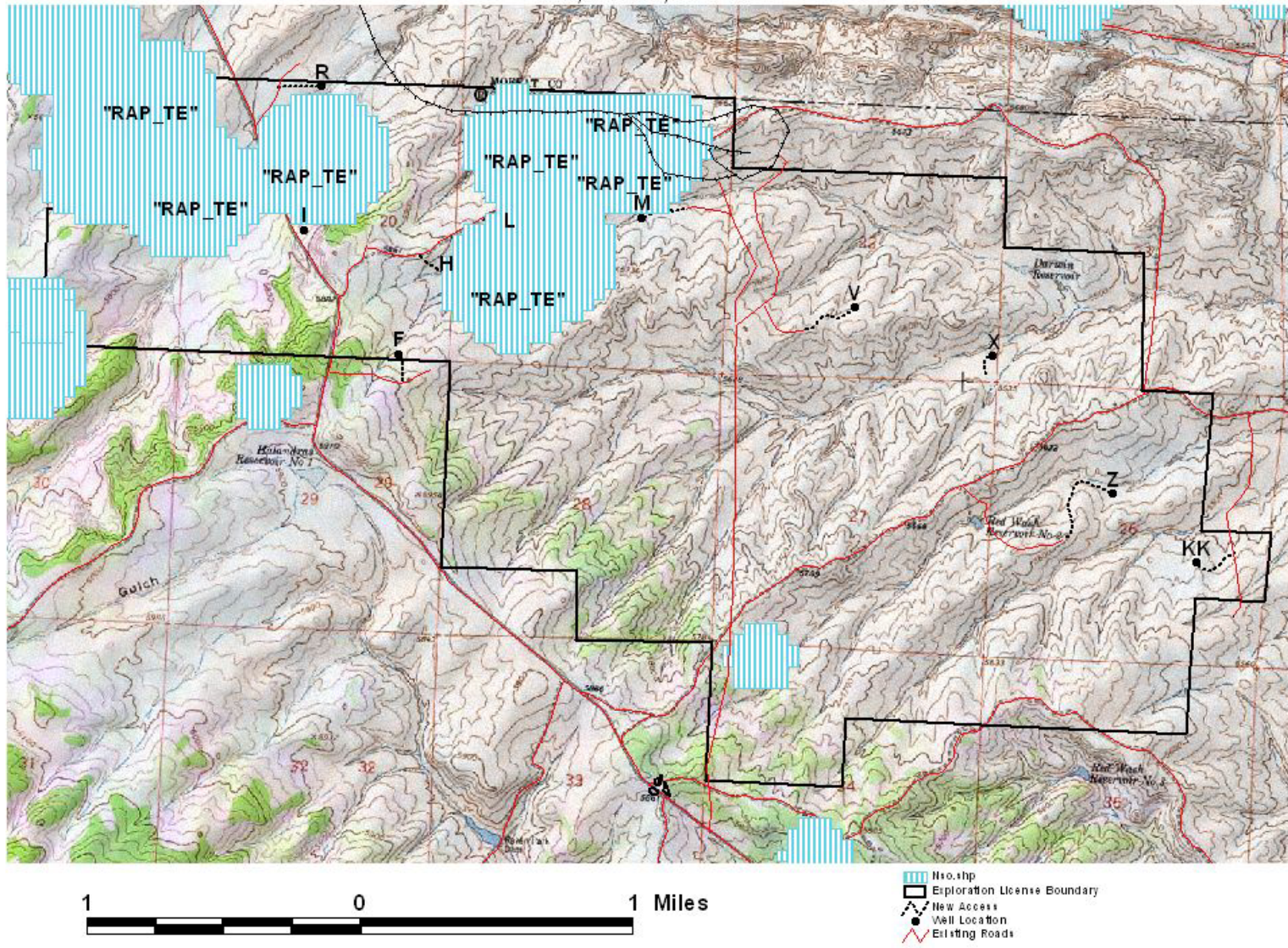
- Exploration License Boundary
- New Access
- Well Location
- Existing Roads



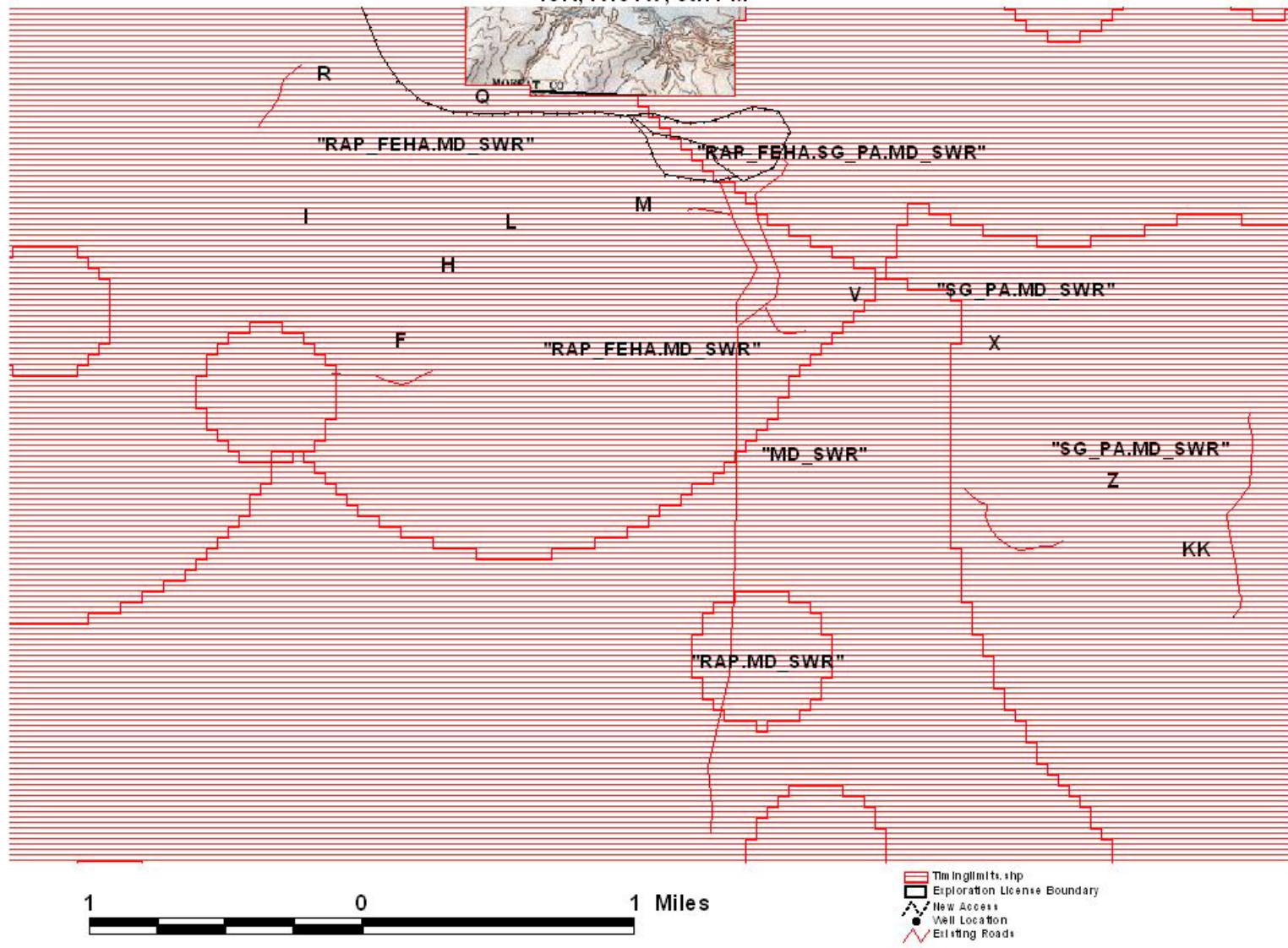
Blue Mountain Energy
Coal Exploraiton License
CO-110-2004-136EA
T3N, R101W, 6th PM



Blue Mountain Energy
Coal Exploraiton License
CO-110-2004-136EA
T3N, R101W, 6th PM



Blue Mountain Energy
Coal Exploraiton License
CO-110-2004-136EA
T3N, R101W, 6th PM



Location of Proposed Action CO-110-2004-136-EA

